



Committee report

Committee	EMPLOYMENT COMMITTEE
Date	23 JANUARY 2012
Title	AUTHORISATION TO RECRUIT
Report of:	CHIEF EXECUTIVE

EXECUTIVE SUMMARY

1. This report sets out the developments that have been made in respect of exploration of joint working arrangements with Southampton City Council in line with the stated intentions of the December 2010 Cabinet Report entitled "Council Organisation: Future Shape and Direction" and the Budget Report to Full Council in September 2011. As a result of these developments, it is proposed that a joint Director of Environment post be established by entering into a formal flexible part time secondment agreement for a trial period of six months, at the end of which the arrangement may be made permanent, or should arrangements be terminated, or the joint panel fail to appoint, the Isle of Wight Council will revert to its current structure and arrangements for the provision of a full-time substantive post of Strategic Director of Economy and Environment. Request is made for authorisation to recruit to the shared post and to establish a joint politically proportionate Employment Sub-Committee.

BACKGROUND

2. The Chief Executive's report to Cabinet in December 2010 set out the future shape and direction for the Council as part of a major programme of re-organisation. Contained within this report were a set of principles upon which the Council needed to operate in order to secure the necessary financial savings required to establish a balanced budget and which would secure future sustainability following the economic downturn. A key aspect of these principles was the intention to develop partnerships which reflect a 'place based' approach as opposed to public sector agencies acting in isolation, and also exploring opportunities for joint working with neighbouring local authorities.
3. The Budget Report to Full Council in September 2011 identified that in the context of the updated financial position a number of proposals were to be presented for consideration. This included an intention to explore the potential for joint service arrangements between the Economy and Environment Directorate and Southampton City Council.
4. Since that point, more detailed exploration of the potential for joint working in this area has been undertaken between the respective chief executives and has resulted in an in-principle agreement to pursue this arrangement on a formal basis through the

appointment of a Joint Director of Environment who would lead that role and function on behalf of both local authorities. The purpose of this arrangement will be to reduce management costs whilst ensuring an appropriate and sustainable level of leadership, direction and management for both Southampton City Council and the Isle of Wight Council. It is important to recognise that a shared director arrangement would not mean uniform service delivery across the two local authority areas. The sovereignty and separate democratic responsibility and accountability of each local authority would be retained. Whilst there is a need to generate savings, there is also a key principle that any such approach should not impede local accountability. If anything should enhance it by demonstrating best value.

5. In April 2011, Southampton City Council merged two Directorates to form a single Environment Directorate, with an interim Director being established from July 2011. It is the intention therefore that the Isle of Wight Council's current Director of Economy and Environment post be re-aligned to make provision for a joint leadership and management arrangement with Southampton City Council on a secondment basis. This means that it would be necessary to put a ring-fenced recruitment process in place for the current post-holder in the first instance. A revised joint job description and person specification has been prepared and agreed subject to any final amendments being delegated to the respective chief executives and is attached as Appendix One.
6. The main operational arrangements for the delivery of such a partnership agreement are set out below:
 - The Isle of Wight Council will be the employer of the successful candidate;
 - Southampton City Council will be re-charged for the full costs associated with employment for an average of two days per week;
 - Some administrative support for work carried out on behalf of Southampton City Council will be provided by the Isle of Wight Council and re-charged at full costs associated with employment for ½ day per week;
 - All travel costs and other related expenses with conducting business on behalf of Southampton City Council will be paid by way of expense claims directly to them;
 - Office accommodation is to be made available by Southampton City Council whilst on site at their premises;
 - The current pay banding and all other terms and conditions for the post will remain unchanged.

Subject to an appointment being made, a formal secondment agreement is to be drawn up providing the full detail of working arrangements, payment arrangements and termination of the joint arrangement. This will be for a trial period of six months after which should the arrangement be terminated, or an appointment fail to be made, the Isle of Wight Council will revert to its current structure and contractual arrangements for a full time substantive post of Strategic Director of Economy and Environment.

7. Permission is therefore being sought for authorisation to recruit under these new arrangements and to establish a politically proportionate member panel, jointly with Southampton City Council to carry out the necessary interview process for appointment. There is provision for a joint appointment panel under paragraph 2.7 of the Employment Committee terms of reference and it is proposed that this will take the form of 3 elected members from each local authority.

STRATEGIC CONTEXT

8. In the spirit of the Chief Executive's report to Cabinet in December 2010, this joint working arrangement has provided the opportunity to challenge traditional delivery models, increase the potential for streamlined service provision for the benefit of our community together with the securing of a reduction in financial commitments which is of mutual benefit to both local authorities. In turn this contributes to the stated corporate plan priority for the delivery of budget savings through changed service provision.

CONSULTATION

9. On-going discussions and meetings have taken place with respective lead members and chief executives in order to reach agreement on the proposed way forward. Individual and more detailed consultation has taken place with affected personnel.

FINANCIAL / BUDGET IMPLICATIONS

10. The introduction of the joint Director of Environment appointment with Southampton City Council will realise approximate savings of at least £62,500 per annum for as long as the arrangement continues. The Medium-Term Budget Strategy report to Cabinet on 13 December 2011 identified savings of £100,000 in 2012/13 (full year effect £200,000) from joint working with Southampton City Council on Economy and Environment issues. This arrangement will form a part of the generation of these savings.

LEGAL IMPLICATIONS

11. Under section 113 of the Local Government Act 1972, provision is made for a local authority to enter into an agreement with another local authority for the placing at the disposal of the latter for the purpose of their functions on such terms as may be provided by the agreement, of the services of officers employed by the former and subject to due consultation with any officers affected by such a proposal. The 'disposal' is by way of a secondment agreement which means that the Isle of Wight Council remains the employer but allows for the appointed individual to act as an officer for Southampton City Council. A formal agreement will be established to set out the terms, performance and delivery requirements, together with the operational arrangements. These are briefly set out in paragraph 6.
12. In accordance with the requirements of section 113 of the Local Government Act 1972 and more widely within employment law, it is necessary to have undertaken due consultation with any affected staff prior to such an arrangement being established as well as to pay due regard to the employment rights with regards to eligibility to any such new post by way of a ring-fenced arrangement in respect of any appointment arrangements.

EQUALITY AND DIVERSITY

13. The Council as a public body is required to meet its statutory obligations under the Equality Act 2010 to have due regard to eliminate unlawful discrimination, promote equal opportunities and foster good relations between people who share a protected characteristic and people who do not share it. The proposed decision to move towards the appointment of a joint Director of Environment with Southampton City Council is considered not to impact on any of the protected characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race,

religion or belief, sex and sexual orientation. This is due to the fact that the appointment process is to be ring-fenced to a single individual who under employment legislation is considered to have eligibility and therefore the right to apply for this position.

14. Any further future proposals that may be considered for joint management arrangements or shared services will however be subject to an equality impact assessment being undertaken and due consultation undertaken with affected staff and, as appropriate, members of the community where changes to service provision are proposed.
15. All aspects of the recruitment process will be undertaken in accordance with statutory obligations under the Equality Act 2010, and ensure that a fair and equitable process is carried out.

OPTIONS

16. Option 1 - To grant authorisation to recruit to the joint post of Director of Environment with Southampton City Council and the establishment of a joint politically proportionate panel of members as the Employment Sub-Committee, with three members from each local authority.
17. Option 2 - Not to grant authorisation to recruit to the joint post of Director of Environment with Southampton City Council.

RISK MANAGEMENT

18. The proposal to appoint a joint Director between the Isle of Wight Council and Southampton City Council provides a timely opportunity to secure efficiencies both in financial terms and service leadership and management across both local authorities. Under this arrangement, it is possible to retain the service provision required, based on local needs and their priorities but also to explore the potential for areas of integration where this may be of benefit to the local community through the sharing of expertise, methods of working and alternative service provision.
19. Whilst the proposals do present the opportunity for securing efficiencies in service leadership and management by way of financial savings, it will be necessary to examine and implement some re-alignment of function responsibilities within the council's existing Directorate of Economy and Environment management team at no extra cost. This is to ensure that there is sufficient capacity for new responsibilities to be assumed within the joint working arrangements. It will be necessary to carefully monitor the joint arrangements in practice and to undertake a formal review after a period of six months following commencement of the secondment arrangement.

EVALUATION

20. In line with agreed business operating principles approved by Cabinet in December 2010, much work has been undertaken to explore the potential for joint working arrangements across the public sector and with neighbouring authorities to secure the potential for financial savings and efficiencies. As a result of these explorations, an opportunity has presented itself with Southampton City Council to embark on a joint director post. Following detailed discussions between respective political leaders and chief executives, an agreed approach has been proposed.

21. Accepting option 1, by granting authorisation to recruit, will provide opportunity to secure substantial financial savings as well as increasing the potential for future sustainability in leadership and management arrangements across both authorities and be of mutual benefit.
22. Whilst there may be further potential for the sharing of management responsibilities and services, this initial phase provides a timely opportunity to also secure financial savings and efficiencies that are of mutual benefit to both local authorities. Local sovereignty and decision making processes will remain which provides assurances that the local needs of the community will remain within local accountability.
23. Therefore to accept option 2, during an on-going period of economic downturn and the need to secure further savings as part of establishing a sustainable future, to refuse authorisation would be a missed opportunity at such a crucial time. Alternatives would have to be sought to find proposed savings that can be achieved and which may result in the need for further rationalisation of service provision and/or staffing reductions.
24. In accepting option 1, the next stage will be to secure an appointment to the new joint post of Director of Environment between the Isle of Wight Council and Southampton City Council and permission is now sought from the Employment Committee for authorisation to recruit and the establishment of a joint politically proportionate Employment Sub-Committee.

RECOMMENDATION

25. Option 1 - To grant authorisation to recruit to the joint post of Director of Environment with Southampton City Council and the establishment of a joint politically proportionate panel of members as the Employment Sub-Committee, with three members from each local authority.

APPENDICES ATTACHED

26. [Appendix One](#): Job Description and Person Specification – Joint Director of Environment

BACKGROUND PAPERS

27. Cabinet Report: Council Organisation – Future Shape and Direction, December 2010
28. Full Council Report: Budget Review, September 2011
29. Cabinet Report: Medium Term Budget Strategy December 2011

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